



City of La Quinta

CITY / SA / HA / FA MEETING DATE: March 4, 2014

AGENDA CATEGORY:

ITEM TITLE: APPROPRIATE FUNDING AND AWARD A CONTRACT TO PACIFIC WEST INDUSTRIES, INC. FOR REPLACEMENT OF HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS 1 AND 2 AT CITY HALL

BUSINESS SESSION:

CONSENT CALENDAR: 4

STUDY SESSION:

PUBLIC HEARING:

RECOMMENDED ACTION:

Appropriate \$39,984 from the City's Equipment Replacement Fund and award a contract to Pacific West Industries, Inc., in the amount of \$98,000, to replace heating, ventilation and air conditioning Systems 1 and 2 at City Hall.

EXECUTIVE SUMMARY:

- This project entails replacing heating, ventilation and air conditioning (HVAC) Systems 1 and 2, which cool the east wing of City Hall.
- Pacific West Industries, Inc., a southern California construction company, submitted the lowest bid in the amount of \$98,000. The City Council previously authorized staff to pre-purchase the HVAC unit which, when combined with previous and anticipated costs, brings the total project cost to \$243,334.
- In order to replace the HVAC unit in time for summer, staff recommends an appropriation of \$39,984 from Equipment Replacement Funds as the HVAC equipment and installation costs have proven higher than originally estimated by the designer.

FISCAL IMPACT:

Based on construction estimates from early 2013, \$203,350 was budgeted for HVAC upgrades from the Equipment Replacement Fund in Fiscal Year 2013/2014. Of the \$203,350, \$150,462 remains after the Phase 1 improvements (the HVAC System 3 Replacement project), which replaced the unit that cools the City Council Chambers and adjacent corridors.

Considering the low bid received for installation in the amount of \$98,000 and the City-purchased equipment cost of \$73,789, the construction cost is now estimated to be \$171,789.

The recommended project budget and requested appropriation is as follows:

BUDGET LINE ITEM	BUDGET
Professional:	\$ 3,000
Technical (Insp/Test/Survey):	\$ 5,000
Design:	\$ 0
Construction:	\$171,789
Contingency:	\$ 9,800
City Administration:	\$ 857
TOTAL BUDGET:	\$190,446

Staff recommends that the shortfall of \$39,984 be appropriated from unassigned Equipment Replacement Funds.

BACKGROUND/ANALYSIS:

City Hall was originally constructed in 1991 under the 1988 California Building Code. An additional administration wing was added on the west side in 2008. The HVAC systems that serve the majority of City Hall were installed as part of the original construction. The installed systems typically have a service life of approximately 20 years. The U-shaped east end of the building is heated and cooled by HVAC Systems 1 and 2. These units have required numerous costly repairs in the last few years, including a compressor replacement in the past year.

In order to proactively address the replacement of these critical systems, the City Council established a Citywide Preventative Maintenance Plan as part of its Fiscal Year 2013/2014 Capital Improvement Program. This annual maintenance program is funded through the City’s Equipment Replacement Fund. HVAC System 3, Phase 1, has already been replaced as part of this program.

On January 21, 2014, due to the City receiving construction bids more than \$50,000 in excess of the engineer’s estimate, the City Council rejected all bids and authorized staff to pre-purchase the HVAC unit for the project and readvertise the installation of the unit for construction bids. On February 18, 2014, two sealed bids were received. A detailed bid comparison summary is provided for the City Council’s review as Attachment 1. Pacific West Industries, Inc. submitted the lowest responsive bid in the amount of \$98,000, which is \$41,000 lower than the engineer’s estimate. However, when combined with the cost of the HVAC unit, design and administrative costs exceed the remaining funding for the project.

Contingent upon City Council's approval to award a contract on March 4, 2014, the following is the anticipated project schedule:

Project Award	March 4, 2014
Sign Contract/Mobilize	March 5, 2014 – March 18, 2014
Construction (30 calendar days)	March 19, 2014 – April 17, 2014
Accept Improvements	May 2014

ALTERNATIVES:

Since the project has been bid twice, resulting in total project costs exceeding the remaining project budget and the new HVAC unit should be installed as soon as possible, no alternative actions are recommended.

Report prepared by: Bryan McKinney, Principal Engineer

Report approved for submission by: Timothy R. Jonasson, P.E.

Public Works Director/City Engineer

Attachment: 1. Bid Comparison Summary

CITYWIDE PREVENTATIVE MAINTENANCE IMPROVEMENTS, CITY HALL BUILDING HVAC SYSTEM 1 AND 2 REPLACEMENT
 PROJECT NO. 2013-13B
 Bid Comparison Summary

Engineers Estimate						
Item	Description	QTY	Unit	Unit Price	Est Cost	
1	Mobilization	1	LS	\$ 13,900.00	\$ 13,900.00	
2	City Hall Building HVAC System 1 & 2 Replacement	1	LS	\$ 125,100.00	\$ 125,100.00	
Total Construction Estimate:					\$ 139,000.00	

Pacific West Industries, Inc.		F.M. Thomas Air Conditioning, Inc.	
Unit Price	Extended Price	Unit Price	Extended Price
\$ 24,500.00	\$ 24,500.00	\$ 10,000.00	\$ 10,000.00
\$ 73,500.00	\$ 73,500.00	\$ 174,217.00	\$ 174,217.00
	\$ 98,000.00		\$ 184,217.00

